

EXHIBIT C

Fraud Development Recommendation - Examination

1a. Name, TIN and Location of Taxpayer

MyMail, Inc. (Taxpayer's Name)	75-2847125 (SSN or EIN)	Denton, TX (City and State)
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2. Basis for Potential Tax Fraud

- | | | | |
|---|--|--|---|
| a. <input checked="" type="checkbox"/> Omitted Income | c. <input type="checkbox"/> Failure to File or Pay Tax | e. <input type="checkbox"/> False/Altered Documents | g. <input type="checkbox"/> Other (Explain) _____ |
| b. <input type="checkbox"/> False Expenses/Deductions | d. <input type="checkbox"/> Evasion of Payment | f. <input type="checkbox"/> Aiding & Abetting
(Preparer / Promoter) | |

3. List the indicators of fraud, including supporting evidence, and the method used to compute omitted income (if applicable).

Taxpayer originally filed a 2005 U.S. Return of Partnership Income, Form 1065, on 2/24/2006 that indicated gross receipts or sales of \$6,842,946. However, IRP information indicates taxpayer received 1099-MISC in 2005 in the amount of \$9,500,000 from America Online, with taxpayer in business of developing internet access technology per internet research and business webpage of taxpayer. Furthermore, taxpayer subsequently attempted to file a 2005 Form 1065 on 10/19/2006 that was unprocessed but includes taxpayer's constitutional arguments and a silver conversion whereby taxpayer indicated the \$6,842,946 of gross receipts should have only been \$729,846. Thus, based upon IRP information, there is understatement of income of \$2,657,054 from originally filed return [and \$8,770,154 based upon 1065 taxpayer sent in with constitutional argument, which would result in estimated tax difference of \$3,000,000 if this were to be processed].

12/17/2008 There are no Overt Acts on this case, so Fraud could not be supported. Counsel agrees.

4. Tax Return / Administrative Information

a. Tax Period(s) (yyyy/mm)	b. Tax Return Form	c. Estimated Tax Due to Fraud	d. Source Code	e. Activity Code	f. Project Code
200512	1065	903,400	50	483	0127

5a. Initiator's Name	5b. Title	5c. Source of Requester		
		AIMS Assignee Code	Area	Territory
Chris Hendrix	Revenue Agent	205432001185	Gulf States	Dallas NW

5d. Telephone Number	5e. Date
972-308-1031	Ext. 9/17/2008

6a. Group Manager	6b. Date
Donnell Dickerson	9/17/2008

7. FTA Recommendation	All Tax Periods	Specific Tax Periods	FTA Authorization	Date
a. Update to Status 17 ³	<input checked="" type="checkbox"/>		Jana Stout FTA	09/29/2008
b. Transfer to field for further fraud development ¹	<input type="checkbox"/>			
c. Return to Status 12 or other prior status code ¹	<input checked="" type="checkbox"/>		Jana Stout FTA	12/17/2008
d. Return to Status 17 (from Status 18)	<input type="checkbox"/>			
e. Assert civil fraud/fraudulent failure to file penalty	<input type="checkbox"/>			
f. Transfer to field for initial fraud development ²	<input type="checkbox"/>			
g. FTA involvement concluded	<input type="checkbox"/>			

¹ FTA involvement concluded.

² Return(s) should not be updated to Status 17. A copy of this form should not be forwarded to the Data Assistant, Fraud Policy & Operations.

³ Request original returns or confirmation of electronic filing.

Name and TIN of Taxpayer

Plan of Action

- 1) Summons third party for payment information and substantiation regarding \$9,500,000 that was on 1099-MISC to TP.
- 2) Attempt to interview taxpayer and review records, comparing gross receipts amounts to information provided by third party.

Instructions for Fraud Development Recommendation - Examination (Form 11661)

PAGE 1

This page should be completed by the Examiner or jointly with the Fraud Technical Advisor (FTA). A copy of the initial page and those containing subsequent FTA recommendations will be placed in the case file and retained by the FTA. The FTA will forward an electronic copy of page 1 to the FTA manager if item 7a through 7e is recommended.

Item 1a:

Enter the name of one taxpayer only. **Individual** — enter the last name (space and suffix, if applicable) followed by a comma and space, the first name followed by a comma and space and the middle initial.
Entity — enter the name per the tax return or IDRS and the location is the city and state where the taxpayer resides. The TIN entry is an SSN or EIN (including dashes), but not both.

Item 2:

Check the appropriate box(s) & provide a brief explanation, if box "g" is checked.

Item 3:

Self-explanatory

Item 4:

- 4a. Multiple tax periods can be placed in one block (e.g., 200303 - 200512 for 12 Employment Tax periods, 200312 - 200512 for 3 Income Tax years).
- 4c. Enter the aggregate amount (numeric entry) for all tax periods entered in 4a.
- 4d-f. If a different code(s) exist for the tax period(s) entered in 4a, provide the codes for the initial tax period.

Item 5:

The initiator will complete 5a through 5e. Item 5c will include the 12 digit AIMS Assignee Code. The AIMS Assignee Codes are located on the SB/SE - AIMS website:

- Step 1: Click on this website address: <http://sbse.web.irs.gov/AIMS/> or click on "AIMS Assignee Code" in item 5c of the form.
- Step 2: Click on the Contacts link located on the top left side of the webpage.
- Step 3: Click on the appropriate link: Employee Group Code (EGC) Contacts or LMSB Contact List.
- Step 4: Click on your Primary Business Code (PBC) link on the spreadsheet under the instructions tab or click the tab of your respective PBC group number at the bottom of the screen.
- Step 5: Scroll up or down to your code (identified by the manager, phone #, contact, street and/or city). The 12 digit code is listed under "PBC", "SBC" and "EGC". Enter your Area, Territory (if applicable) and Group in alpha-numerical format.

Item 6:

Self-explanatory

Item 7:

The FTA will check the "All Tax Periods" box or the specific tax periods, sign and date the applicable FTA recommendation. The specific tax periods can be combined (e.g., 200312-200512) or separated by a comma and/or "&" sign (e.g., 200303, 200403 & 200409). Item 7g. will be completed when involvement in assertion of the civil fraud/fraudulent failure to file penalty (write-off and/or review) is complete.

PAGE 2, Plan of Action:

The FTA will provide a detailed list of audit steps required for Fraud Development that were agreed upon by the examiner and group manager. The action plan should include a projected follow-up date agreed to by the examiner, group manager and FTA at which time further discussion on the case will occur. A copy of the initial page and those containing subsequent FTA recommendations will be placed in the case file and retained by the FTA.